

INTERNATIONAL BUSINESS NEWS – JULY 2006

U.S. Department of Commerce

International Trade Administration – U.S. Export Assistance Center

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- **Dennis Millard, International Trade Specialist**
- **Ray Riggs, International Trade Specialist**
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WE'VE MOVED – BUT NOT FAR!

Last month we traded our space on the 7th floor of the Metropolitan National Bank Building for a new suite on the 4th floor. Our phone and fax numbers remain the same, as well as our E mail addresses. Our new mailing address is now:

425 West Capitol, Suite 425
Little Rock, AR. 72201-3401

AZERBAIJAN COMMERCE'S MARKET OF THE MONTH

With a population of a little over eight million, the Republic of Azerbaijan offers a small but fast developing market that has shown impressive, sustained economic growth. Azerbaijan, which gained independence from the former Soviet Union in 1991, continues its integration with the world economy. Azerbaijan is in the process of negotiating its accession to the World Trade Organization (WTO). The United States and Azerbaijan have signed a Bilateral Investment Treaty, which entered into force in August 2001. Key challenges for Azerbaijan include implementing anti-corruption legislation, improving the legal and regulatory framework for business, maintaining fiscal discipline, and continuing privatization. U.S. companies should closely evaluate the market and conduct careful due diligence before entering Azerbaijan. As with other emerging markets, finding a qualified, reliable, and motivated partner can be central to a company's success.

Current best prospects for U.S. non-oil products and services include:

- architectural, construction & engineering services
- building materials
- transportation (aviation)
- telecommunications equipment and services
- food processing/packaging equipment
- agricultural machinery

For more information on doing business with Azerbaijan contact:

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EUROPE'S ROHS DIRECTIVE GOES INTO EFFECT

Are you prepared for the Restriction of Use of Certain Hazardous Substances (RoHS) Directive that goes into effect July 2006? Since August 2005, companies selling a broad range of electrical goods in Europe were required to conform to the Waste Electrical and Electronic Equipment Directive (WEEE), and as of July 2006, those same companies will also need to conform to the RoHS Directive. Please go to <http://www.buyusa.gov/europeanunion/weee.html> for additional information on the status of implementation, the coverage of the Directives, producer requirements, and additional resources. Go to http://www.buyusa.gov/europeanunion/commerce_docs.html for a copy of our Frequently Asked Questions on WEEE and RoHS Guide.

SEVEN WARNING SIGNS OF A CHINESE SCAM

By Alan Richel

Senior. International Trade Specialist Houston

- The Chinese company contacted you via the web
- The Chinese company has "Import/Export" in their name
- They want to purchase a very large volume of goods
- They insist that your senior executive travel to China immediately to sign the contract with them in person
- They request money prior to the trip to pay for a reception in your honor, and/or, once in China, they request money or goods to "grease the wheels" with local officials
- They have been in business for less than one year
- They can provide no verifiable references

The above list provided courtesy of GLOBIS of Chicago, IL. For more information on GLOBIS and a full listing of services offered to companies, please visit their website at <http://www.glo-bis.com1>, or contact Ms. Louise Kern at 773-220-4000.

U.S. AND VIETNAM SIGN BILATERAL MARKET ACCESS AGREEMENT

The U.S. and Vietnam recently reached an agreement in principle on a bilateral market access agreement that will lower trade barriers to a wide range of U.S. industrial and agricultural products and services and help clear the way for Vietnam's accession to the World Trade Organization (WTO.) The bilateral agreement, which will be implemented upon Vietnam's accession, will reduce tariffs to 15 percent or less on nearly 94 percent of industrial and consumer goods. In addition, tariffs will be reduced to 5 percent or less in several key sectors, including construction equipment and pharmaceuticals. The tariff on aircraft will be at zero upon implementation. For additional information go to http://trade.gov/press/press_releases/2006/vietnam_053106.asp

GOOD MORNING VIETNAM! 3 EZ STEPS TOWARD EXPORT SUCCESS INTO VIETNAM

Vietnam is one of the most dynamic markets in the world. Ho Chi Minh City, Hanoi, and Danang are burgeoning into cosmopolitan cities that are bustling with small businesses and tourists. Continuing economic development will increase the demand for American goods and services, making Vietnam an ideal environment for U.S. exporters and investors. Most importantly, exporting to Vietnam is not as difficult as one would think! The U.S. Commercial Service post in Vietnam offers an "E-Counseling" Suite in 3 EZ Steps. These communication technologies allow U.S. companies to discuss business prospects live with our Commercial Specialists in Hanoi and Ho Chi Minh City. The suite includes email (with PDF attachments), Voice over Internet Protocol, and Web conferences at a moderate cost. Commercial Specialists in Vietnam are ready to answer specific questions about market opportunities and help you bring your business plans to fruition. For more details on how to take advantage of the 3 EZ Step, visit <http://www.buyusa.gov/vietnam>

EIGHT BEST PRACTICES TO STAY COMPLIANT WITH DEEMED EXPORT RULE

This article from the June 2006 Edition of IOMA's "Managing Export & Imports" is available from our office. For a copy contact us at little.rock.office.box@mail.doc.gov, phone 501-324-5794, fax 7380.

FOREIGN TRADE ZONES FREE TRADE ZONES AND BONDED CUSTOM WAREHOUSES

Kenneth Mouradian, Director, Orlando U.S. Export Assistance Center, has written an excellent article explaining Foreign Trade Zones, identifying the link to exporting, and explaining the benefits of FTZ's to an exporter who imports component parts, packages them together with U.S. origin parts, and labels and exports the finished product. To read Mr. Mouradian's article, go to <http://www.buyusa.gov/arkansas/ftzinfo.pdf>

UNITED ARAB EMIRATES AGENCY AGREEMENTS AND CONTRACTS

Thank you to Thomas Panek
Senior International Trade Specialist,
Chicago ODO for this article

In the United Arab Emirates agents and distributors are grouped together as commercial agents. These commercial agents or agencies may be registered or unregistered, however commercial laws are partial to those that are registered. Only U.A.E. citizens can be registered and only companies owned entirely by U.A.E. nationals can be registered. Registered agents must be recognized by the Commercial Agency Registry, which is maintained by the Ministry of Economy and Commerce. Commercial agency agreements must be drawn up and signed by both principal and agent, specifying the products and territory to be covered by the contract. In order for the contract to be valid it must be registered with the Ministry of Economy and Commerce and the individual emirate in which the company intends to conduct its business. Also note that the official copy of the agreement must be in written in Arabic and approved by an official U.A.E. translator. An agreement that is signed outside the U.A.E. must be notarized by a local notary public, whose signature and seal must be authenticated by the local ministry of foreign affairs (State Department, in the case of the United States). The U.A.E. Embassy or Consulate must then legally recognize the agreement. Upon the documents arrival in the U.A.E. it is taken to the Foreign Ministry for a stamped approval and translated into Arabic if need be. For the complete article go to <http://www.buyusa.gov/arkansas/uaeagree.pdf>

SEARCH ENGINE ADVERTISING IN MEXICO

Thank you to Patricia Toledo of the Mexico City Commercial Service Office for this information.

American exporters to Mexico enter a country with a small, but rapidly growing, Internet market. The latest figures estimate that over 17 million Mexicans have access to the Internet, which represents an increase of 7 million from the year 2002. Over 70% of the current Internet users are between the ages of 13-34, which means that the number of Internet users should continue to expand in the upcoming years. American companies should also be encouraged by the rapid growth in electronic commerce (E-commerce), which saw an increase of over 80% from 2004 to 2005. U.S. firms looking to increase the exposure of their websites in Mexico should consider advertising through search engines popular in Mexico. Currently 84% of all Mexicans who access the web use a search engine, second in popularity only to e-mail. For more information go to <http://www.buyusa.gov/arkansas/mexsearch.pdf>

FULL ENFORCEMENT FOR WOOD PACKAGING MATERIAL IMPORT REGULATIONS BEGAN JULY 5

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service in cooperation with the U.S. Department of Homeland Security's Customs and Border Protection (CBP) will begin enforcing the third and final phase of the wood packaging material (WPM) regulation on July 5. All WPM, such as pallets, crates, boxes and pieces of wood used to support or brace cargo, must meet import requirements and be free of timber pests before entering or transiting through the United States.

For details go to http://www.cbp.gov/xp/cgov/newsroom/news_release/s/062006/06292006.xml

Costa Rica International Business and Investment Summit Sep 12-13, 2006 – San Jose, Cost Rica

The Chamber of Representatives of Foreign Companies, Distributors and Importers of Costa Rica (CRECEX, in it's Spanish acronym) is an independent non-profit business association, founded in 1952. CRECEX's primary mission has been to facilitate and promote international trade. CRECEX is organizing the Costa Rica International Business and Investment Summit to be held Sep. 12-13, 2006 in San Jose, Costa Rica. This summit is one of the most prestigious and recognized business meetings at the international level and is organized by the Costa Rican Chamber of Foreign Trade and of Foreign Company Representatives (Crecex). For information on cost and other details, contact Roy.Fernandez@mail.doc.gov or phone: 506-220-2454, Fax: 506-231.

USEFUL WEBSITES:

Destination USA - Official U.S. government source of information about visa policy and procedures. Learn about the visa application process, understand current requirements, and receive updates as they are announced. <http://www.unitedstatesvisas.gov/>

ADVERTISE IN COMMERCIAL NEWS USA

<http://www.export.gov/cnusa>

The November-December 2006 issue of Commercial News USA features the Automotive/Aviation/Marine industries, as well as Exporter of the Year Space:

Application deadlines are Sep. 8 for space and Sep. 15 for Trade Shows Materials:

For more information contact: cnusa@thinkglobal.us or 1-800-581-8533

We hope you've enjoyed this edition of our newsletter. Any mention of non-government sources does not constitute endorsement.

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